



M E D I A R E L E A S E

STATE OF TENNESSEE
BUREAU OF TENNCARE

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TENNCARE AWARDS PHARMACY BENEFITS MANAGER CONTRACT TO SXC THROUGH COMPETITIVE BID PROCESS

BUREAU WILL BUILD ON STRONG IMPROVEMENTS TO PRESCRIPTION PROGRAM

NASHVILLE – Through a competitive bid process, SXC Health Solutions Corp. has been awarded the Pharmacy Benefits Manager (PBM) contract with the Bureau of TennCare. The three-year, \$35 million contract begins October 1, 2008. Two other PBM organizations, First Health and ACS, also submitted bids.

“In recent years, efficient management of our pharmacy benefit has resulted in savings of more than \$1 billion of taxpayer funds,” said TennCare Director Darin Gordon. “We look forward to building on such successes, as we work with SXC.”

“The contract resulting from this RFP process represents another step forward in appropriately aligning the incentives in our program,” said TennCare Pharmacy Director David Beshara. “We anticipate a smooth transition with as little impact on providers and enrollees as possible.”

The TennCare PBM administers the pharmacy claims system, an online system that processes all pharmacy transactions. The PBM also helps administer TennCare’s Preferred Drug List, manages the pharmacy network, provides pharmacists with weekly payments for their services, and generates weekly encounter data and reconciliation services for the TennCare Bureau.

The contract with SXC is for three years, with two one-year extension options. Through its \$650 million annual pharmacy program, TennCare fills about 1 million claims a month.

Illinois-based SXC provides pharmacy benefits management support to Medicaid programs in such states as Alabama, Georgia, Vermont and Washington. The publicly traded company reported \$93.1 million in 2007 revenue from its U.S. and Canadian operations.

First Health is the current PBM. The transition to SXC will start June 1 and take four months.

TennCare is Tennessee’s managed-care Medicaid program, serving approximately 1.2 million low-income children, pregnant women and disabled Tennesseans, with an annual budget of \$7 billion.

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